

IOWA ETHICS AND CAMPAIGN DISCLOSURE BOARD

An Independent Agency of the Executive Branch

W. CHARLES SMITHSON
Executive Director
& Legal Counsel

510 East 12th, Suite 1A
Des Moines, Iowa 50319
Telephone 515-281-4028/General Fax 515-281-3701
Report Fax Line 515-281-4073
www.iowa.gov/ethics

BOARD MEMBERS:
James Albert, Chair
Janet Carl, Vice Chair
Gerald Sullivan
Betsy Roe
John Walsh
Patricia Harper

IOWA ETHICS AND CAMPAIGN DISCLOSURE BOARD MINUTES MAY 15, 2008 OPEN SESSION 12:00 NOON

HELD AT: Jessie Parker Building, 510 East 12th, Des Moines, Iowa

BOARD MEMBERS PRESENT: Jim Albert, Gerald Sullivan, Pat Harper, Betsy Roe and John Walsh, and Janet Carl by phone

STAFF PRESENT: W. Charles Smithson, Karen Hudson, Meghan Van Wyk

1. CALL TO ORDER – The meeting was called to order by Chair Albert at 12:00 p.m.

ELECTION OF OFFICERS – It was moved by Sullivan and seconded by Harper to elect Albert as Chair and Carl as Vice-Chair. Motion carried.

2. APPROVAL OF MINUTES FROM SEPTEMBER 4, 2007, NOVEMBER 8, 2007, DECEMBER 11, 2007, FEBRUARY 11, 2008, AND APRIL 1, 2008 – It was moved by Roe and seconded by Sullivan to approve September 4, 2007, November 8, 2007, December 11, 2007, February 11, 2008 minutes and replacement minutes for April 1, 2008. Motion carried.

3. ADJOURNMENT TO EXECUTIVE SESSION – At 12:02 p.m. it was moved by Harper and seconded by Walsh that in accordance with the provisions of Iowa Code section 21.5, the Board will move into executive session to discuss complaints, investigations, and personnel matters. Any action taken in executive session will be disclosed upon return to open session. Motion carried unanimously in roll call vote.

The meeting returned to Open Session at 12:43 p.m. Carl left meeting at 12:43 p.m.

4. ACTION FROM EXECUTIVE SESSION – It was moved by Roe and seconded by Sullivan that the written record of executive session action be made a part of the open record.

The following executive session action was taken:

Patrick Hendricks, Iowa Agent for United Transportation Union PAC – It was moved by Roe and seconded by Harper to approve the contested case decision. Motion carried.

Leann Jacobson – It was moved by Walsh and seconded by Roe to issue a letter of reprimand. Motion carried.

Lou Oswald – It was moved by Harper and seconded by Sullivan to issue a letter of reprimand. Motion carried.

Virgie Deiber Henningsen – It was moved by Harper and seconded by Sullivan to issue a letter of reprimand. Motion carried.

Jamie Simmons – It was moved by Harper and seconded by Sullivan to issue a letter of reprimand. Motion carried.

David Payer/Payer Campaign – It was moved by Walsh and seconded by Roe to issue a letter of reprimand. Motion carried.

Kathy McKee – It was moved by Walsh and seconded by Harper to issue a letter of reprimand. Motion carried.

Lance Summers – It was moved by Roe and seconded by Harper to send a letter to the Department of Corrections about the Board's rule and notifying them that while action was not taken in this case, the board has the jurisdiction to do so. Motion carried.

Virginia Bordwell – It was moved by Walsh and seconded by Roe that the complaint be found legally sufficient and to direct an investigation. Motion carried.

Ron George – It was moved by Walsh and seconded by Roe that the complaint be found legally sufficient and to direct an investigation. Motion carried

Shelley Westerman – It was moved by Roe and seconded by Harper to issue a letter of reprimand. It was also directed that the city be given recognition for acting quickly. Motion carried.

Laurie Greeman – It was moved by Sullivan and seconded by Roe to close with a finding of no probable cause. Motion carried.

Mechanicsville City Election – It was moved by Sullivan and seconded by Roe to close since the issues under Board jurisdiction have been resolved. Motion carried.

Adel Local Option Sales Tax Initiative – It was moved by Sullivan and seconded by Roe to keep the file open until the statute of limitations expires and to submit a letter to the editor explaining the issue, the Board's action, and the appropriate law. Motion carried.

Southern Iowa Rural Water Association – It was moved by Walsh and seconded by Sullivan to issue a letter of reprimand and direct the responsible party to repay funds. Motion carried.

Osceola County Taxpayer Association – It was moved by Sullivan and seconded by Roe to close with a finding of no probable cause. Motion carried.

Sioux City School Board Election – It was moved by Sullivan and seconded by Roe to close with a finding of no probable cause. Motion carried.

Webster City Area Development – It was moved by Sullivan and seconded by Roe to issue a letter of admonishment for late-filed DR-1, issue the appropriate civil penalty, and direct that a correction notice should be placed. Motion carried.

Le Mars ISL – It was moved by Sullivan and seconded by Roe to close with a finding of no probable cause on individual that did not cross threshold, to issue the appropriate civil penalty for late-filing for the independent expenditure, and direct an educational letter be sent to both individuals concerning proper attribution statements. Motion carried.

JoEllen Jespson/WACO School District – It was moved by Sullivan and seconded by Roe to close with a finding of no probable cause, direct that a correction notice should be placed, and decline to investigate the other issue of the employee working for two school districts as this falls under jurisdiction of the county attorney at the local level. Motion carried.

Mike Gronstal – It was moved by Roe and seconded by Harper to decline to investigate. Motion carried.

Gardner v. Elam – It was moved by Roe and seconded by Walsh to direct an investigation and staff is directed to administratively resolve any violations detected during the investigation. Sullivan abstained. Motion carried.

Tom Robert/NE Hamilton Bond Issue – It was moved by Roe and seconded by Walsh to direct an investigation including permission to subpoena his appearance and production of documents. Motion carried.

Paul Sellon/Hamburg School Superintendent – It was moved by Roe and seconded by Walsh to decline to investigate but send a letter of information regarding what the school can and cannot do. Motion carried.

Former IDPH Employees Involved in Project – It was moved by Roe and seconded by Walsh to direct an investigation into possible violation of 68B.7. Motion carried.

Government Entities and Polk County Bond Election – It was moved by Roe and seconded by Walsh to decline to investigate as the email does not contain advocacy, just job titles. Motion carried.

Hanson v. Miller – It was moved by Roe and seconded by Walsh to decline to investigate as it is not under board jurisdiction and other items do not contain advocacy. Motion carried.

Kathy Gallo – It was moved by Roe and seconded by Walsh to direct an investigation for activities in the executive branch. Motion carried.

DNR Issues – It was moved by Roe and seconded by Walsh to direct an investigation. Motion carried.

Susan Voss – It was moved by Roe and seconded by Walsh to direct an investigation. Motion carried.

Requests for Hearings – It was moved by Roe and seconded by Harper that the following be set down for hearing. Motion carried. Chair will determine hearing officers later.

1. Cory Crowley
2. Barb Nuss
3. Building on Tradition
4. Pat Shey
5. Alexander Grgurich
6. tom Podzimek
7. Denise Baldwin
8. Mike Campbell
9. Deborah Thornton
10. Doug Cunningham
11. Charles Allison

Request for Administrative Resolution – It was moved by Sullivan and seconded by Roe that each of the following committees has not filed a January 2008 report and each should be issued a letter of reprimand, an admonishment that the board expects full compliance if the candidate runs in the future, and each should be administratively dissolved. Motion carried.

1. Willie Johnson
2. Alek Wipperman
3. Don Wilder
4. Becky Schabillion
5. Matthew Harvey

Western Dubuque School District – It was moved by Walsh and seconded by Harper to close each of the ten allegations with a finding of no probable cause. Motion carried.

It was moved by Walsh and seconded by Roe to send a note to state agencies asking them to find a way to communicate with employees to educate them on issues of outside employment and services. Motion carried.

It was moved by Roe and seconded by Sullivan to direct the executive director to gather the facts and complete an investigation without waiting to ask the board if he should investigate so a decision can be expedited at meetings. Motion carried.

5. POLICY DECISIONS

A. Payment for Personal Expenses – It was moved by Roe and seconded by Harper to direct counsel to do further research and come back with a draft opinion for the next phone meeting. Motion carried.

B. Corporate Food/Definition of Contribution – It was moved by Sullivan and seconded by Walsh that it is prohibited for any corporation to make this contribution. Roe and Albert opposed. Motion failed.

It was moved by Roe and seconded by Walsh that because the definition appears to exclude this activity as permissible, and because this is a difficult and complex issue, the legislature may need to address further, and director should draft an advisory opinion. Sullivan opposed. Motion carried.

Chair called for a break at 1:32 p.m.
The meeting reconvened at 1:45 p.m.

C. Interim Position/Post State Employment – It was moved by Sullivan and seconded by Walsh that someone who serves as an interim director of a state agency is bound by statute. Motion carried.

D. Corporate Involvement in PAC/Candidate Fundraisers – Consensus to hold public hearings to study the issue.

E. 527 Committees Making Contributions – The first issue is if an out-of-state 527 committee that is registered and filing reports with the IRS and does not accept corporate money is permitted to make contributions to Iowa committees and file a Verified Statement of Registration with each contribution in excess of \$750. It was moved by Roe and seconded by Harper that an out-of-state 527

committee that is only registered with the IRS, not the FEC or another state, cannot make contributions in Iowa. Motion carried.

The second issue is a 527 committee that says it is a permanent organization making only a one-time contribution to an Iowa committee and wants to file form DR-OTC. It was moved by Walsh and seconded by Sullivan that the 527 committee cannot make contributions to candidate-related pacs, parties, or state pacs because the 527 committee does not meet the statutory definition of a permanent organization in 68A.102(18). Motion carried.

F. Freedom Fund Request/Political Corporation Status – It was moved by Roe and seconded by Harper to certify this organization as a political corporation. Sullivan abstained. Motion carried.

6. ADVISORY OPINIONS

A. Which Officers are Required to be Disclosed on Statement of Organization – It was moved by Walsh and seconded by Harper to approve the advisory opinion with corrections. Motion carried.

B. Board Members Selling or Leasing Goods or Services to Own Agency – It was moved by Roe and seconded by Harper to approve the advisory opinion. Motion carried.

C. Purchases Do Not Trigger Filing a Verified Statement of Registration – It was moved by Harper and seconded by Sullivan to approve the advisory opinion with corrections. Motion carried.

D. Use of Candidate Campaign Funds for Meals/Proper Disclosure – It was moved by Harper and seconded by Roe to approve the advisory opinion with corrections. Motion carried.

E. SEAT as Restricted Donor/IECDB Advisory Opinion 2003-15 Modified – It was moved by Roe and seconded by Harper to approve the advisory opinion. Motion carried.

F. City Council Member Employed by City Water Department – It was moved by Roe and seconded by Harper to approve the advisory opinion with option #1 and corrections. Motion carried.

7. RULE FILINGS – It was moved by Sullivan and seconded by Harper to approve both of the following rule filings. Motion carried.

A. Form DR-SFA – Requires the form to be filed prior to the distribution of political material.

B. Executive Branch Lobbying Expenditures – Provisions of this rule are intended to serve as a general guideline to obtain uniform reporting.

8. INFORMATION PROVIDED TO THE BOARD ALLEGING VIOLATION

A. Iowa Future Fund – It was moved by Walsh and seconded by Harper to conduct an investigation for the application of lobbying laws under 68A and 68B. Motion carried.

9. PERMISSION TO SUBMIT ADVISORY OPINION REQUEST – It was moved by Roe and seconded by Walsh to approve director's request for an advisory opinion from the house and senate ethics committees. Motion carried.

10. LEGISLATIVE SESSION RECAP – Received for information. No action taken.

11. REQUESTS FOR WAIVER OF CIVIL PENALTIES -

A. Statewide Committees (Rule 351 IAC 4.60)

1. George S. Eichhorn/George Eichhorn for Iowa House – It was moved by Walsh to deny the request for waiver. No second.

It was moved by Roe and seconded by Sullivan to waive the civil penalty assessed for a late-filed January 22, 2008 report. Walsh opposed. Motion carried.

2. John Drury/Drury for Iowa Senate – It was moved by Roe and seconded by Walsh that the request for waiver of the civil penalty assessed for a late-filed January 22, 2008 report be denied. Motion carried.

3. Robert C. Dopf/Iowans for Bob Dopf – It was moved by Roe and seconded by Walsh that the request for waiver of the civil penalty assessed for a late-filed January 22, 2008 report be denied. Motion carried.

4. Sioux City Home Builders PAC – It was moved by Roe and seconded by Walsh to waive the civil penalty assessed for a late-filed January 19, 2008 report. Motion carried.

B. County/Local Committees

1. Bailey for Iowa City (Johnson) – It was moved by Walsh and seconded by Roe to reduce the civil penalty assessed for a late-filed October 19, 2007 report. Motion carried.

2. Whole Community Vision Committee (Dallas) – It was moved by Walsh and seconded by Roe to deny the request for waiver of the civil penalties assessed for late-filed October 2007 and January 2008 reports. Motion carried.

3. Werner School Board (Story) – It was moved by Walsh and seconded by Roe to reduce the civil penalty assessed for a late-filed report. Motion carried.

4. Committee to Elect Marie Press for Ward 2 (Muscatine) – It was moved by Walsh and seconded by Roe to waive the civil penalty assessed for a late-filed January 19, 2008 report. Motion carried.

5. Davis for Council (Story) – It was moved by Walsh and seconded by Roe to deny the request for waiver of the civil penalty assessed for a late-filed January 19, 2008 report. Motion carried.

6. Chaz Allen for Mayor (Jasper) – It was moved by Walsh and seconded by Roe to waive the civil penalty assessed for a late-filed January 19, 2008 report. Motion carried.

C. County Central Committees

1. Clarke County Democratic Central Committee – It was moved by Sullivan and seconded by Roe to waive the civil penalty assessed for a late-filed January 19, 2008 report. Walsh opposed. Motion carried.

2. Des Moines County Democratic Central Committee – It was moved by Walsh and seconded by Harper to deny the request for waiver of the civil penalty assessed for a late-filed January 19, 2008 report. Motion carried.

3. Fayette County Democratic Central Committee – It was moved by Sullivan and seconded by Roe to deny the request for waiver of the civil penalty assessed for a late-filed January 19, 2008 report. Motion carried.

4. Hardin County Democratic Central Committee – It was moved by Sullivan and seconded by Roe to deny the request for waiver of the civil penalty assessed for a late-filed January 19, 2008 report and issue a letter of admonishment for failure to timely file an amended statement of organization showing a change in officers and information. Motion carried.

5. Lucas County Democratic Central Committee – It was moved by Sullivan and seconded by Roe to deny the request for waiver of the civil penalty assessed for a late-filed January 19, 2008 report and issue a letter of admonishment for failure to timely file an amended statement of organization showing a change in officers and information. Motion carried.

6. Palo Alto County Republican Central Committee– It was moved by Sullivan and seconded by Roe to deny the request for waiver of the civil penalty assessed for a late-filed report. Motion carried.

7. Shelby County Republican Central Committee – It was moved by Sullivan and seconded by Walsh to deny the request for waiver of the civil penalty assessed for a late-filed January 19, 2008 report. Roe and Harper opposed. Motion failed.

It was moved by Roe and seconded by Sullivan to reduce the civil penalty assessed for the late-filed January 19, 2008 report. Motion carried.

8. Warren County Republican Central Committee – It was moved by Sullivan and seconded by Roe to waive the civil penalty assessed for a late-filed report. Motion carried.

D. Out-Of-State Committees

1. Irish American Democrats – It was moved by Walsh and seconded by Harper to deny the request for waiver of the civil penalty for late-filed VSR. Motion carried.

2. Kidney Care Council PAC Democrats – It was moved by Walsh and seconded by Harper to deny the request for waiver of the civil penalty for late-filed VSR. Motion carried.

E. Lobbyists/Clients (Rule 351 IAC 8.12)

1. Beverly Walsmith – It was moved by Walsh and seconded by Harper to waive the civil penalty assessed for a late-filed lobbyist report. Motion carried.

2. Mindy Larsen Poldberg – It was moved by Walsh and seconded by Harper to waive the civil penalty assessed for a late-filed lobbyist report. Motion carried.

3. Karen A. Sisson – It was moved by Walsh and seconded by Harper to deny the request for waiver of the civil penalty assessed for a late-filed lobbyist report. Motion carried.

12. VIOLATIONS

A. Attribution Statement Violations (Iowa Code section 68A.405) – Received for information. No action taken.

1. Dean Stucky

2. Committee to elect Wims, Ayers and Sorenson

3. McLaren for Sheriff Committee
4. Elam for Sheriff Committee
5. Citizens for Progressive Government
6. Brandenburg for Iowa Senate

B. Late-Filed Statements of Organization (Iowa Code section 68A.201) – It was moved by Walsh and seconded by Sullivan to issue letters of admonishment to the following:

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|---|----------------------------|
| 1. Concerned Taxpayers for (Renee) Schulte | General Assembly Candidate |
| 2. (David) Wieland for Council (Black Hawk) | Local Candidate |
| 3. Bill Lack (Polk) | Local Candidate |
| 4. (Philip) Yearington for Mayor (Scott) | Local Candidate |

C. Late-Filed Notice of Dissolution (Iowa Code section 68A.402B) – It was moved by Roe and seconded by Walsh to issue letters of admonishment to the following:

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|--|----------------------------|
| 1. Citizens for (Tom) Sooter | General Assembly Candidate |
| 2. Friends of Lauren Phillips | General Assembly Candidate |
| 3. Calhoun for State House | General Assembly Candidate |
| 4. Elect Reg Kauffman | General Assembly Candidate |
| 5. Ira Roffel for City Council (Jefferson) | Local Candidate |
| 6. Rhoten for Lewis Central (Pottawattamie) | Local Candidate |
| 7. Nick Glew for City Council (Linn) | Local Candidate |
| 8. Ron Dennler for Clayton County Supervisor | County Candidate |

13. ITEMS OF BOARD INTEREST NOT NEEDING ACTION

A. Income Tax Checkoff Reports – Received for information. No action taken.

1. 2006-2007 Fiscal Year
2. 2007 Calendar Year
3. 2008 Calendar Year

The next meeting will be held August 28.

It was suggested that a meeting be scheduled in October or early November to deal with legislative issues.

Director introduced new staff member Meghan Van Wyk to the board.

The meeting adjourned at 3:20 p.m.

Respectfully submitted,



Karen Hudson
Secretary